



San Diego Payphone Owners Association

"You can call on us anytime"

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July 12, 1996

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Office of the Secretary
FEDERAL COMMUNICATIONS COMMISSION
Washington D.C. 90554

Dear Commissioners:

The San Diego Payphone Owners Association hereby submits its reply comments on selected issues raised by commenters in the referenced rulemaking (NPRM CC Docket 96-128).

Enclosed please find our comments in your required format (both on disk and printed form). The enclosed disk is formatted to DOS WordPerfect 4.2. If you have Wordperfect for Windows 5.1 or greater, this disk will easily translate to your preferred wordprocessing program.

If there is anything else required, please contact me at (619) 755-2488.

Sincerely

SAN DIEGO PAYPHONE
OWNERS ASSOCIATION

Martin W. Garrick
President

MG/at

Enclosures

cc: Common Carrier Bureau,
Enforcement Division

CHC

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In The Matter of

Implementation of the
Pay Telephone Reclassification
and Compensation Provisions of the
Telecommunication Act of 1996

CC Docket No. 96-128

COMMENTS OF SAN DIEGO PAYPHONE OWNERS ASSOCIATION
ON NOTICE OF PROPOSED RULEMAKING

SAN DIEGO PAYPHONE
OWNERS ASSOCIATION

Martin W. Garrick
P.O. Box 881
Solana Beach, CA 92075
Telephone: (619) 755-2488
Facsimile: (619) 755-7377

President of
SAN DIEGO PAYPHONE
OWNERS ASSOCIATION

July 12, 1996

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DESCRIPTION OF SAN DIEGO PAYPHONE OWNERS ASSOCIATION
AND ITS PARTICIPATION IN THIS PROCEEDING

The SAN DIEGO PAYPHONE OWNERS ASSOCIATION (SDPOA) is a California Nonprofit Mutual Benefit Corporation.

The purpose of this corporation is to promote and preserve the general welfare and the common business interests of the pay telephone ("Payphone") industry and of owner/operators engaged in that industry in San Diego County

To encourage conduct in accordance with the highest standards of business ethics and to seek, through cooperative efforts consistent with all applicable laws and regulations, the elimination of unfair or improper business methods in the payphone industry.

To promote local state and federal legislation and regulatory decisions fair and just to the payphone industry and to the members of the association and to oppose legislation and regulatory decisions detrimental to those interests.

San Diego Payphone Owners Association is the principal representative of independent payphone providers ("IPPs"), in San Diego County in telecommunications regulatory proceeding. SDPOA is generally familiar with and supports most of the positions of the APCC and the CPA in the present proceeding. SDPOA would like to take this opportunity to add its own comments to this proceeding.

SDPOA commends the APCC and CPA for addressing all of the issues presented for comment in the NPRM. We would; however, like to contribute additional comments, where we agree and where we disagree, regarding the development of a fair and competitive market for payphone services in San Diego County and throughout California.

REPLY COMMENTS OF THE SAN DIEGO PAYPHONE OWNERS ASSOCIATION

Summary

The SDPOA files these reply comments to respond to the following issues: The SDPOA believes that the California Pay Station Service Charge, a set use fee for certain intraLATA non coin calls, should continue. The SDPOA believes the RBOC payphone providers should have the same rights as independent payphone providers to select interLATA carriers for their payphones. SDPOA supports continuation of the California program for public interest payphones in California. Finally the SDPOA supports fair valuation of Location Contracts and Name Brands.

I.

The California Pay Station Service Charge Should Continue.

SDPOA agrees with the comments of the California Utilities Commission and the California Payphone Association (in response to paragraph 28 of the NPRM) that California Pay Station Service Charge should not be altered by this rulemaking. As the California Payphone Association points out, Pacific Bell and GTE implemented the Pay Station Service Charge more than six years ago, and AT&T began collecting and remitting the Pay Station Service Charge in January 1995. (CPA Comments at 6; California Public Utilities Commission Comments at 13-14). The Pay Station Service Charge is not inconsistent with the compensation plan the Commission proposes in the NPRM and should be continued.

II.

RBOCs Should Have the Right to Negotiate to Select InterLATA Carriers

The SDPOA disagrees with the comments of the American Public Communications Council, AT&T and other commenters (in Response to paragraphs 67-72) that RBOCs should not have the same right that independent payphone providers have to negotiate to select the interLATA carriers for RBOC payphones. (Comments of the American Public Communication Council at 42; Comments of AT&T at 24-25), Giving RBOC payphone services providers the same right that independent providers have to select interLATA carriers is in the public interest because it will level the playing field and allow all payphone providers to compete on the same terms.

Comments of the San Diego
Payphone Owners Association

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III.
Public Interest Payphones

The SDPOA agrees with the comments of the California Payphone Association and the California Public Utilities Commission (in response to paragraph 79 NPRM) that the California program for designating and funding public interest payphones has been successful in California. (California Payphone Association Comments 21-24; California Public Utilities Commission Comments at 20-21). Given the success of the California Program, SDPOA believes that the program should continue in California.

IV.
Transfer of Payphone Equipment to Unrelated Status

The SDPOA strongly agrees with the CPA's belief that net book accounting for fixed plant investments is not sufficient to reflect the full value of a LEC's payphone operation. We believe that a more stringent safeguard than Computer Inquiry III is appropriate to protect against all subsidization of LEC payphones.

There are two areas of great concern to the SDPOA. First, the continued attempts by the LEC to minimize the value of the payphone location agreement. These contracts to service proven successful locations for years into the future have cost the LECs substantial amounts of both hard and soft dollars and should be appropriately valued as part of the asset base of the LEC's "nonstructurally separated" payphone operations.

Second, is the true value and competitive advantage of the continued use of the "Name Brand" on the payphones and enclosures of the new entity. To illustrate the significant value the RBOC places on their "Name Brand", we quote the RBOC's Payphone Coalition Comments dated July 1, 1996, page 42, last line, "RBOC PSP's have reputations and name-brand recognition to protect." The "Name Brand" should also be appropriately valued as part of the asset base.

SAN DIEGO PAYPHONE OWNERS ASSOCIATION

By Martin W. Garrick

Martin W. Garrick

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

- o An oversize page or document (such as a map) which was too large to be scanned into the RIPS system.
- o Microfilm, microform, certain photographs or videotape.
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